

### **DETAILED ACTION**

1. This office action is in response to the application filed on October 13, 2004. Claims 1-5 are currently pending and have been examined. The objections to the drawings, objections to the specification and rejections are stated below.

#### ***Drawings***

2. The drawings are objected to because the details in figures 2-6B are not clear. Applicants are respectfully requested to provide replacement drawing sheets using bigger and legible fonts. Corrected drawing sheets in compliance with 37 CFR 1.121(d) are required in reply to the Office action to avoid abandonment of the application. Any amended replacement drawing sheet should include all of the figures appearing on the immediate prior version of the sheet, even if only one figure is being amended. The figure or figure number of an amended drawing should not be labeled as “amended.” If a drawing figure is to be canceled, the appropriate figure must be removed from the replacement sheet, and where necessary, the remaining figures must be renumbered and appropriate changes made to the brief description of the several views of the drawings for consistency. Additional replacement sheets may be necessary to show the renumbering of the remaining figures. Each drawing sheet submitted after the filing date of an application must be labeled in the top margin as either “Replacement Sheet” or “New Sheet” pursuant to 37 CFR 1.121(d). If the changes are not accepted by the examiner, the applicant will be notified and informed of any required corrective action in the next Office action. The objection to the drawings will not be held in abeyance.

#### ***Specification***

3. Applicant is reminded of the proper language and format for an abstract of the disclosure.

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The abstract should be in narrative form and generally limited to a single paragraph on a separate sheet within the range of 50 to 150 words. It is important that the abstract not exceed 150 words in length since the space provided for the abstract on the computer tape used by the printer is limited. The form and legal phraseology often used in patent claims, such as "means" and "said," should be avoided. The abstract should describe the disclosure sufficiently to assist readers in deciding whether there is a need for consulting the full patent text for details.

The language should be clear and concise and should not repeat information given in the title. It should avoid using phrases which can be implied, such as, "The disclosure concerns," "The disclosure defined by this invention," "The disclosure describes," etc. The abstract of the disclosure is objected to because it is too long. Correction is required. See MPEP § 608.01(b).

***Claim Rejections - 35 USC § 112***

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter, which the applicant regards as his invention.

5. Claims 1-5 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 1-5 recite in the preamble "auction method, system and Internet platform for all kinds of Residential and Business Related products and services". It is not clear whether the Applicants are claiming a "method", "a machine", "an article of manufacture", "a composition of matter" or "any new and useful improvement thereof". The scope of these claims is unclear.

Claim 1 also recites the limitations "requesters/buyers post their classifieds/requests", and "registered providers/sellers provide bids/competitive rates". It is not clear what the Applicants

mean by “classifieds/requests” and “competitive rates”.

Claim 2 also recites the limitation “which can define or describe of the service along with the bid amount”. It is not clear what the Applicants mean by this limitation.

Claim 3 also recites the limitation “select the winning seller based on the bid amount, bid description, profile, feedback and ratings”. This limitation lacks antecedent basis because “the bid amount, bid description, profile, feedback and ratings” have not been defined in claim 1.

Claim 4 also recites the limitation “a feature giving requester/buyer a control to accept sealed bids and seller can place sealed or unsealed bid”. It is not clear if the “requester/buyer” in this claim is the same “buyer” in claim 1.

Claim 5 also recites the limitation “post instant buy services or a package of services and registered requesters/buyers to accept that or negotiate with providers/sellers”. It is not clear what the Applicants mean by this limitation.

In view of these ambiguities, the scope of these claims is unclear. Appropriate clarification/correction is required.

The art rejections given below are interpreted in light of the 35 USC 112, second paragraph rejections above.

### ***Claim Rejections - 35 USC § 101***

6. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

7. Claim 1-5 are rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory Subject matter.

35 USC 101 requires that in order to be patentable the invention must be a "new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof" (emphasis added). It is not clear as to which statutory class the claimed invention belongs.

The claimed invention does not fall in the process category for the following reason. Quoting from *In re Comiskey* (No. 06-1286, *Federal Circuit*) "The Supreme Court has recognized only two instances in which such a method may qualify as a section 101 process: when the process 'either [1] was tied to a particular apparatus or [2] operated to change materials to a 'different state or thing.' In *Diehr*, the Supreme Court confirmed that a process claim reciting an algorithm could state statutory subject matter if it: (1) is tied to a machine or (2) creates or involves a composition of matter or manufacture.<sup>12</sup> 450 U.S. at 184. There, in the context of a process claim for curing rubber that recited an algorithm, the Court concluded that "[t]ransformation and reduction of an article 'to a different state or thing' is the clue to the patentability of a process claim that does not include particular machines." *Id.* (quoting *Benson*, 409 U.S. at 70);<sup>13</sup> see also *In re Schrader*, 22 F.3d 290, 295 (*Fed. Cir.* 1994) (holding when a claim does not invoke a machine, "§ 101 requires some kind of transformation or reduction of subject matter"). Thus, a claim that involves both a mental process and one of the other categories of statutory subject matter (i.e., a machine, manufacture, or composition) may be patentable under § 101. However, mental processes—or processes of human thinking—standing alone are not patentable even if they have practical application. The Supreme Court has stated that "phenomena of nature, though just discovered, mental processes, and abstract intellectual concepts are not patentable, as they are the basic tools of scientific and technological work."

*Benson*, 409 U.S. at 67 (emphasis added). In *Flook* the patentee argued that his claims did not seek to patent an abstract idea (an algorithm) because they were limited to a practical application of that idea—updating “alarm limits” for catalytic chemical conversion of hydrocarbons. 437 U.S. at 586, 589-90. The Court rejected the notion that mere recitation of a practical application of an abstract idea makes it patentable, concluding that “[a] competent draftsman could attach some form of post-solution activity to almost any mathematical formula.” *Id.* at 590. Since all other features of the process were well-known, including “the use of computers for ‘automatic monitoring-alarming,’” the Court construed the application as “simply providing a new and presumably better method for calculating alarm limit values.” *Id.* at 594-95. The 14 See *AT&T*, 172 F.3d at 1355, 1358 (holding patentable “a process that uses the Boolean principle in order to determine the value of the PIC indicator” and that “require[d] the use of switches and computers”); *State Street Bank*, 149 F.3d at 1373 (“[W]e hold that the transformation of data . . . by a machine through a series of mathematical calculations into a final share price, constitutes a practical application of a mathematical algorithm.” (emphases added)); *Alappat*, 33 F.3d at 1544 (“This is not a disembodied mathematical concept which may be characterized as an ‘abstract idea,’ but rather a specific machine to produce a useful, concrete, and tangible result.” (emphases added)); *Arrhythmia Research Tech., Inc. v. Corazonix Corp.*, 958 F.2d 1053, 1058-59 (Fed. Cir. 1992) (holding patentable a method for analyzing electrocardiograph signals for the detection of a specific heart condition that used “electronic equipment programmed to perform mathematical computation”). Court held the application unpatentable because “if a claim [as a whole] is directed essentially to a method of calculating, using a mathematical formula, even if the solution is for a specific purpose, the claimed method is nonstatutory.” 437 U.S. at 595 (quoting *In re*

*Richman*, 563 F.2d 1026, 1030 (CCPA 1977). Following the lead of the Supreme Court, this court and our predecessor court have refused to find processes patentable when they merely claimed a mental process standing alone and untied to another category of statutory subject matter even when a practical application was claimed. In *Schrader* we held unpatentable a “method constituting a novel way of conducting auctions” by allowing competitive bidding on a plurality of related items. 22 F.3d at 291. In doing so, we rejected the patentee’s argument that the process used a machine. Two of the alleged machines—a “display” in the front of the auction room and “a closed-circuit television system” for bidders in different cities—were not claimed by the patent, and the third—a “record” in which bids could be entered—could be “a piece of paper or a chalkboard.” *Id.* at 293-94. We therefore concluded that the patent impermissibly claimed unpatentable subject matter. Similarly, in *In re Warmerdam*, 33 F.3d 1354 (Fed. Cir. 1994), we held unpatentable a process for controlling objects so as to avoid collisions because the key steps of “locating a medial axis” and “creating a bubble hierarchy” described “nothing more than the manipulation of basic mathematical constructs, the paradigmatic ‘abstract idea.’” *Id.* at 1360. A machine was not required, *id.* at 1358, nor was there any indication that the process operated on a manufacture or composition of matter. Decisions of our predecessor court are in accord. *In re Meyer*, 688 F.2d 789, 796 (CCPA 1982), held that “a mental process that a neurologist should follow” was not patentable because it was “not limited to any otherwise statutory process, machine, manufacture, or composition of matter.” *Id.* at 795. Similarly, *In re Maucorps*, 609 F.2d 481 (CCPA 1979), held that an invention “[u]ltimately . . . directed toward optimizing the organization of sales representatives in a business” was unpatentable. *Id.* at 482, 486. See also *Alappat*, 33 F.3d at 1541 (“*Maucorps* dealt with a business method for deciding

how salesmen should best handle respective customers and *Meyer* involved a ‘system’ for aiding a neurologist in diagnosing patients. Clearly, neither of the alleged ‘inventions’ in those cases falls within any § 101 category.”). The steps of the method are untied to another category of statutory subject matter and hence the claimed invention does not qualify as a process under 35 U.S.C 101.

***Claim Rejections - 35 USC § 103***

8. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

9. Claims 1-5 are rejected under 35 U.S.C. 103(a) as being unpatentable over Srinivasan (US Patent 7,047,210 B1).

Claim 1, Srinivasan teaches an auction method, system and Internet platform for all kinds of Residential and Business Related products and services where registered requesters/buyers post their classifieds/requests and registered providers/sellers provide bids/competitive rates comprising the step that a buyer is not forced to specify an opening bid price (See Srinivasan Abstract, Figure 2 and Column 3 lines 26-65, defining product parameters implies that a buyer is not forced to specify an opening bid price).

Claim 2, Srinivasan teaches the feature allowing sellers to enter a detailed bid description which can define or describe of the service along with the bid amount (See Srinivasan Abstract, and Column 8 lines 16-65).

Claim 3, Official notice is taken that the feature allowing buyers to select the winning seller based on the bid amount, bid description, profile, feedback and ratings is old and well known. This feature allows a buyer to select a winning bid based on parameters (besides price) that are important to a buyer.

Claim 4, Official notice is taken that the feature giving requester/buyer a control to accept sealed bids and seller can place sealed or unsealed bid is old and well known. This feature allows a buyer to screen bids without giving the sellers knowledge about the bids of other sellers. In a way it works to a buyers advantage.

Claim 5, Official notice is taken that the feature allowing a seller to post instant buy services or a package of services and registered requesters/buyers to accept that or negotiate with providers/sellers is old and well known. This feature allows a buyer to negotiate the entire package associated with the product (including products/services that complement the principal product) with the seller and thereby obtain a better price for the entire package.

### ***Conclusion***

10. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure are listed on the enclosed PTO-892.

11. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dr. Narayanswamy Subramanian whose telephone number is (571) 272-6751. The examiner can normally be reached Monday-Thursday from 8:30 AM to 7:00 PM. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached at (571) 272-6771. The fax number for Formal or Official faxes and Draft to the Patent Office is (571) 273-8300.



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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PMR or Public PAIR. Status information for unpublished applications is available through Private PMR only. For more information about the PMR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

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